

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 03710 051253Z

46

ACTION NEA-10

INFO OCT-01 ISO-00 DOTE-00 EB-07 OPIC-03 OMB-01 AID-05

NEAE-00 CIAE-00 INR-07 NSAE-00 /034 W

----- 016974

P R 051215Z AUG 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC PRIORITY 5917

INFO USDOC WASHDC

DEPT OF TREAS WASHDC

LIMITED OFFICIAL USE KUWAIT 3710

DEPT PASS MENDENHALL, DEPT OF TRANSP/FHWA AND OPIC

COMMERCE FOR CAGNE/HEARN

TREAS FOR OSAA

E.O. 11652: N/A

TAGS: BEXP, EFIN, ECRE, EAID, FHWA, KU

SUBJ: PERFORMANCE BONDS ON CONSTRUCTION CONTRACTS

REF: (A) STATE 193388, (B) KUWAIT 3338

1. EMBASSY RECOMMENDS THAT BACKGROUND MATERIAL (REF A, PARA 3) BE PROVIDED KUWAITI EMBASSY WITH REQUEST THAT IT BE TRANSMITTED NOT ONLY TO THE GOK MINISTRY OF FINANCE (MOF), BUT ALSO THE MINISTRIES OF PUBLIC WORKS (MPW) AND OF ELECTRICITY AND WATER (MEW), WITH INDICATION IN ITS REPORT THAT THIS EMBASSY WILL BE

FOLLOWING UP MATTER IN KUWAIT. EMBASSY WOULD, OF COURSE, NEED COPY OF THIS MATERIAL, TO AID US IN FOLLOW-UP.

2. WHILE MOF WILL UNDOUBTEDLY HAVE AN IMPORTANT ROLE TO PLAY IN KUWAITI DECISION-MAKING ON SUBJECT OF SURETY BONDS, IT HAS UP TO NOW, AT LEAST TO OUR KNOWLEDGE, NOT BEEN INVOLVED IN QUESTION. ON OTHER HAND, BOTH MPW AND (TO A LESSER EXTENT) MEW HAVE BEEN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 03710 051253Z

PRIME LOCI OF GOK CONSIDERATION OF MATTER. BOTH MINISTRIES

ARE RESPONSIBLE FOR DRAWING UP GUARANTEE PROVISIONS WHICH BECOME A PART OF CONSTRUCTION CONTRACTS. MPW IN FACT IS NOW CONSIDERING THE ADOPTION OF SURETY BONDS FOR USE IN A MAJOR ROADBUILDING CONTRACT IN WHAT COULD BECOME PRECEDENT BUILDING CASE (REF B). MOF, ON THE OTHER HAND, HAS NOT, TO OUR KNOWLEDGE, EVINCED ANY INTEREST SO FAR IN QUESTION, AND, GIVEN HEAVY WORK LOAD AND CONCENTRATION ON OTHER AREAS, IT IS UNLIKELY THAT IT WOULD DO SO NOW, UNLESS MPW AND MEW WERE INITIALLY CONVINCED BY USG EFFORTS AND WERE PREPARED TO TAKE POSITIVE STAND ON QUESTION WHEN IT WAS TAKEN UP BY MOF.

3. EMBASSY PREFERENCE AT THIS POINT FOR OPTION A AS EXPANDED WOULD NOT RULE OUT, AT A SUBSEQUENT STATE, PARSKY OR SIMON LETTER TO MINISTER ATEEQI OUTLINING USG CONCERNS ON THIS ISSUE. NOR WOULD IT RULE OUT VISIT OF SURETY BOND TEAM TO DISCUSS MATTER WITH GOK OFFICIALS AS SUGGESTED REF B. INDEED, EMBASSY FEELS THAT BOTH STEPS WOULD PROBABLY BE REQUIRED TO CONVINCE GOK SOUNDNESS OF USG POSITION. HOWEVER, WE FEEL THAT THESE STEPS SHOULD COME ONLY AFTER ALL RELEVANT GOK POLICY-MAKERS HAVE BEEN BROUGHT INTO MATTER, WHICH WILL BE AIM OF PERSONAL REPRESENTATIONS BY EMBASSY WITH TOP MINISTERIAL OFFICIALS INCLUDING MINISTERS THEMSELVES.

4. EMBASSY WILL LOOK INTO REPORT PARA 5 STATE REFTEL.
MAESTRONE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, BONDS (SECURITIES), CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUWAIT03710
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760301-1437
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760881/aaaactjq.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 193388, 76 KUWAIT 3338
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUN 2004 by BoyleJA>; APPROVED <16 JUN 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PERFORMANCE BONDS ON CONSTRUCTION CONTRACTS
TAGS: BEXP, EFIN, ECRE, EAID, KU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006